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# STAFF NOTES:

# Middle East Africa South Asia

## **Secret**

No 0881/75 November 17, 1975

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#### MIDDLE EAST - AFRICA - SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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#### Iran

EC Officials Optimistic on Trade Pact

EC Commission officials profess to be optimistic that some kind of trade agreement with Iran will eventually be concluded. The parties will probably meet in December.

the Iranians are no longer asking for a preferential pact, recognizing that the US strongly opposes such an agreement. Tehran has nevertheless made clear that it wants the same preferential access granted Mediterranean countries for several non-agricultural products. These presumably include older Iranian exports like rugs and newer exports like oil products, petrochemicals, and metals.

The EC is trying for a compromise. It probably will try, within the context of a non-preferential pact, to meet Iran's economic interests as well as the Shah's desire for added prestige.

An economic and technical cooperation arrangement probably also will be included. (CONFIDENTIAL NOFORN)

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#### Nigeria

Armed Forces Purge Launched

Nigeria's new military regime has quietly begun a housecleaning of the armed forces similar to its earlier purge of the country's public service.

the military housecleaning probably will not result in a significant reduction in the size of Nigeria's 250,000-man army, the largest standing force in black Africa. Starting with the officers corps, discharges will be made on grounds of incompetence, old age, ill health, and corruption. Those discharged for bad conduct will be ineligible for retirement benefits or rehabilitation training for civilian jobs. The decision to extend the purge to the armed forces appears to have been taken collectively by the ruling 22-man Supreme Military Council and is not a vendetta being pushed by a particular group of senior officers for reasons of their own.

So far, 20 naval officers have been dismissed with an undetermined number of army and air force officers to follow. Housecleaning in the enlisted ranks will include the demobilization of all former servicemen recalled to duty during the recent civil war.

of discontent among those officers slated for retirement or who fear their turn is next.

those discharged will not protest too loudly for fear of losing what benefits they will get or being punished severely.

it is unclear at this stage whether the housecleaning will create a large number of disgruntled exservicemen who could become a source of unrest. So far, the regime has met with surprisingly little opposition from the several thousand or so ex-civil servants who have been dismissed. (SECRET NOFORN)

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#### Afghanistan-Pakistan

Afghan Posture on Banning of Pakistani Political Party

Afghanistan has reacted with relative moderation so far to a Pakistani Supreme Court decision last month that upheld the Bhutto government's banning earlier this year of an Afghan-supported political party. Afghan President Daoud, however, may still be weighing how to deal with this issue, and he could decide in favor of a more militant policy.

The Supreme Court decision, announced on October 130, affirmed Islamabad's decree of last February labelling the National Awami Party as subversive and outlawing it. The verdict was quickly followed by two blasts of critical commentary on Afghanistan's

government-controlled radio. Since then-

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Aighan posture has been surprisingly restrained, given the Daoud regime's long-standing critical stance toward Prime Minister Bhutto's policy of suppressing the National Awami Party and spurning its demand for greater autonomy for the two Pakistani provinces bordering on Afghanistan. The people of these provinces--Baluchistan and the North-West Frontier--are ethnically closer to the Afghans than to most other Pakistanis. Almost all of the Awami party's domestic support is concentrated in the two provinces.

Daoud and his ( government may still be pondering how to respond to the Pakistani Supreme Court's action. decision may be affected by whether Bhutto makes further legal or other moves soon against alreadyimprisoned National Awami Party leaders, especially party chief Wali Khan. Daoud might decide to launch a new round of vituperative anti-Pakistani propaganda, and he could also step up his government's material assistance to anti-Islamabad elements in the two border provinces.

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Daoud will probably try to keep Pakistani-Afghan frictions from getting out of control, however. He knows that Pakistan is militarily much stronger than Afghanistan and also that Islamabad might strike back by instigating dissidence within his country. Daoud is aware, moreover, that most of Kabul's foreign economic benefactors, particularly neighboring Iran, would look askance at Afghan moves that threatened to disrupt the region's delicate stability. (CONFIDENTIAL NOFORN/ORCON)

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